THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Public Sector Oil Marketing Companies (OMCs) have detected 79 cases of diversion and 3 cases of underweight cylinders in Rajasthan during the years 2005-06; 2006-07 and April, 2007-February, 2008. The details are given in the Statement. (*See* below)

(b) The names and details of the LPG distributorships indulging in diversion and underweight LPG cylinders are available with the Directors (Marketing) of concerned OMCs.

(c) Action against the erring distributorships was taken as per provisions of Marketing Discipline Guidelines (MDG)/Distributorship Agreements by the OMCs.

Statement

Details of number of cases of diversion and under-weight LPG cylinders reported by Public Sector Oil Marketing companies (OMCs) in the State of Rajasthan

Year	No. of cases of Division	No. of cases of under-weight cylinders
2005-06	29	3
2006-07	21	-
2007-08	29	-
April 2007 to February, 2008		
TOTAL	79	3

Purchase of Sugarcane projects in Brazil

1977. DR. MURALI MANOHAR JOSHI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that some Public Sector Oil Companies have decided to purchase the sugarcane production projects in Brazil;

(b) if so, the details thereof;

(c) the names of such oil companies; and

(d) the reasons behind this compulsion of these companies to purchase projects of foreign sugarcane for ethanol?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (d) A team of BPCL visited Brazil in September 2006 to explore the possibilities of acquiring sugarcane acreage and putting up ethanol manufacturing units in Brazil. The team's report was discussed during the meeting of Monitoring Committee of Ethanol on 15.11.2006 chaired by Secretary, P &NG, when it was decided that following action be taken by the Industry with BPCL as the coordinator:

i. Feasibility study for Ethanol operations in/from Brazil: the experience of private companies including Reliance Industries may be shared.

ii. Industry task force comprising of all three Oil PSUs *viz* BPC/IOC/HPC to be constituted to finalize the various related modalities.

iii. The Ethanol project in Brazil may be implemented by forming a joint venture with public sector oil marketing companies, *viz*, IOC, BPCL and HPCL (with equal shares) and a local partner engaged in the sugar/ethanol industry.

Based on the above, on industry task force comprising of the three PSU OMCs *i.e.* BPC, IOC & HPC was formed in December, 2006 and a feasibility study for ethanol investment in Brazil was commissioned in January 2007 for which report was finalized in May 2007. The consultant concluded in their feasibility report that Ethanol investments in Brazil are feasible, attractive, and highly strategic for Indian Oil Industry. The major findings of the Feasibility Study *interalia* are as under:

i. Brazil is highly suited for ethanol investments due to its leadership in ethanol production driven by structural advantages like ideal weather, soil & water conditions for sugarcane growing, abundant availability of arable land, improved productivity & technology in ethanol/sugar industry and also the high domestic demand for fuel ethanol.

ii. The recommended investment strategy comprising of a mix of Greenfield & Acquisition investments delivers most attractive financial pay offs.

The Oil Industry team subsequently carried out a Partner Search Study in November 2007 to identify suitable local partners in Brazil. Following the discussions held with top partnership candidates as identified in the study, broad MoUs were signed.

Indian Oil Industry is presently considering the possibility of acquiring a Sugar mill and setting up a Greenfield distillery along with a Brazilian partner for Ethanol production in Brazil. This is subject to necessary approvals.

Additionally an MoU with Brazil's National Company, Petroleo Brasileiro S.A-Petrobras was also signed by BPCL on 30.8.2007 at the HQ of M/s. Petrobras in Rio-de-Janeiro. Under the objects of MoU both the parties endeavor jointly undertake studies in matters related to-:

The use and trading of fuel Ethanol globally.

Cooperation in areas of ethanol plant investments in Brazil in order to meet global demand of fuel ethanol.

Extending cooperation to biodiesel production and manufacturing process as well as R&D technology, including transfer of technology for ethanol.

Conduct joint studies on efficient means of transportation and joint investment on Logistics Infrastructure for ethanol in Brazil.

"Under-recovery" and "Profit-loss Account"

1978. SHRI PRASANTA CHATTERJEE:
SHRI TAPAN KUMAR SEN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the difference between "under-recovery" and loss indicated in "Profit and Loss" account;